FOR IMMEDIATE RELEASE September 10, 2013 Permalink CONTACT: Chairman Hastings, Michael Tadeo, 202-226-9019 Ranking Member DeFazio, Jen Gilbreath, 202-225-6065

Hastings, DeFazio Ask Energy Secretary Moniz to Help Keep Electricity Affordable for Pacific Northwest Ratepayers

WASHINGTON, D.C. – Today, House Natural Resources Committee Chairman Doc Hastings (WA-04) and Ranking Democratic Member Peter DeFazio (OR-04) sent a <u>letter</u> to Secretary of Energy Ernest Moniz urging him to listen to regional electric customer input before implementing new proposals that could force additional operating costs on the Bonneville Power Administration (Bonneville) and the Western Area Power Administration (Western).

The letter follows concerns by existing Bonneville and Western electricity customers that participation in an Energy Imbalance Market (EIM) could impose costs that outweigh regional benefits. An EIM is an automated tool that aims to balance fluctuations in renewable generation and demand. Regional utilities have undertaken a Market Assessment and Coordination Initiative (Initiative) to study the costs and benefits of an EIM. The first phase of the study has been completed but the second has not.

A key question is whether or not an EIM and its participants would be subject to FERC jurisdiction – a major point of possible contention for the Chairman and Ranking Member. Hastings and DeFazio want the studies to be fully completed before any policy decision is made by the Department of Energy.

"We urge you to allow a pending fact-finding Initiative on integrating wind and other intermittent resources to be completed in order to allow the Bonneville Power Administration and the Western Area Power Administration to make sound business decisions on behalf of their existing customers," wrote Chairman Hastings and Ranking Democrat Member DeFazio in the letter. "We are particularly concerned that Bonneville and Western may be required by your Department to join an Energy Imbalance Market (EIM) without regard to whether an EIM is in the best interest of the customers and consumers in our region. If an EIM is pursued, it must be done in a way that does not injure long-standing success in crafting regional solutions or lead to the formation of broader electricity market structures that have been repeatedly rejected in the Northwest."

"The bipartisan nature of this letter speaks volumes that any wind and solar integration scenario needs to prioritize the consumers that have been paying the bills for generations.

The Pacific Northwest electricity system has worked for decades because regional interests came together for the betterment of the region and that needs to continue. Any Washington, DC-imposed system will not work for our region and could only raise electricity costs without benefits," said Chairman Hastings.

"Bonneville Power Administration is one of the largest providers of hydropower in North America. For decades, the Pacific Northwest has been a longtime beneficiary of inexpensive, renewable power that has served as the backbone of our economy. The Pacific Northwest is also the second largest generator of wind power in North America. The integration of wind and hydro power requires a unique, northwest solution, not solutions from invisible bureaucrats that would only drive up our rates," said Ranking Democratic Member DeFazio.

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